

### REMARKS

Claims 1-62 are pending. Claims 1, 15, 30 and 44 were amended to more particularly point out and explicitly recite the present invention. No new matter was added by the amendment. It is an inherent characteristic of the assets referred to in the claimed invention that their taxable status are "considered fixed over time and not dependent upon the holding period of the asset" since their taxable status are determined by the types of accounts in which they are held.

Claims 1-62 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,161,098 (Wallman). Withdrawal of this rejection is respectfully requested for at least the reasons set forth below.

### *Examiner Interview*

Applicants wish to thank Examiner Felten for extending the courtesy of a telephone interview in respect to this application on December 16, 2003 with Applicant and Applicants' undersigned representative. During the interview, the contents of a previously faxed draft Amendment After Final was discussed. The Examiner agreed that the newly proposed claim language narrows the claims in a manner not clearly disclosed by Wallman, but that any final determination of whether the new language patentably distinguishes over Wallman would be made only upon formal entry of the amendment. The Examiner also stated that the newly proposed language raises new issues for consideration and thus the draft Amendment After Final would not be entered in the present application if formally filed. Accordingly, the substantive contents of the draft Amendment After Final is being formally submitted in identical form in this Amendment accompanying an RCE.

### *Patentability of independent claims 1, 15, 30 and 44*

1. Wallman does not disclose a taxable status for each asset that is considered fixed over time and that is not dependent upon the holding period of the asset

In the previously filed Amendment, Applicants argued that Wallman does not take into account the "taxable status of each asset." In response to this argument, the Examiner refers to column 5, line 29+ of Wallman as allegedly disclosing this feature. This portion of Wallman describes a time-based tax-price differential calculator. This calculator takes into account the

“taxable status” of each security based on the length of time that the security has been in the portfolio. In this manner, a recently purchased security may be subject to short-term taxable gain or loss, whereas a security purchased a long time ago may be subject to a long-term taxable gain or loss. However, the “taxable status” referred to in the claims is considered a fixed status associated with the asset and is not dependent upon the holding period of the asset, in contrast to Wallman wherein the taxable status is determined by a calculating process that is dependent upon the holding period of the asset. Examples of the taxable status referred to in the claims include “taxable,” “tax-deferred,” and “tax-free.” The claimed “taxable status” is conceptually different than the taxable status factored into Wallman’s calculator. For example, one does not enter “short-term security” or “long-term security” when an investor enters a security into Wallman’s database. The taxable status in Wallman is thus strictly a function of the time that the security has been held in the portfolio and there is no designation of a taxable status that is considered fixed in time and associated with each asset. In Wallman, a security that has a short-term taxable status will eventually change to a long-term taxable status if it is maintained in the portfolio.

As discussed in the previous response, the claimed taxable status allows the present invention to make specific sell/buy recommendations that account for the client’s preferred domain, whereas Wallman has no such capability.

While it is believed that the current claim language is sufficient to distinguish over Wallman’s taxable status discussion, Applicants amended each of the independent claims to further emphasize the fixed nature of the claimed taxable status by reciting that “the taxable status for each asset [is] considered fixed over time and [is] not dependent upon the holding period of the asset.” Accordingly, amended independent claims 1, 15, 30 and 44 are believed to be patentable over Wallman.

## 2. Wallman does not disclose inputting a desired asset allocation

In the non-final Office Action dated June 4, 2003, the Examiner referred to column 7, lines 36+ and column 9, lines 17-24 of Wallman as allegedly disclosing this feature. As discussed in the previous Office Action, Wallman’s process has no provision for allowing a user to enter a desired asset allocation (i.e., the percentage of assets held in each asset class, such as stocks, bonds and cash investments). Wallman’s process only enables the user to “indicate a

desired tax consequence by selecting one of the points in the graph and identif[y] for the user which of the securities must be sold to obtain the desired tax consequence.” (column 9, lines 22-24). Thus, an investor would be unable to use Wallman’s process to identify securities to sell that would bring the investor as close as possible to the client’s desired asset allocation, as required by the present claims.

Wallman’s process makes sell recommendations solely on the basis of desired tax consequences, without any concern for the investor’s preferred domain or desired asset allocation. Accordingly, Wallman lacks at least steps and elements (b), (c) and (d) in each of the independent claims 1, 15, 30 and 44.

In the Final Office Action, the Examiner now refers to various text portions in column 6, lines 13-39 as showing the ability to manage “tax consequences” (which Applicants agree is a feature of Wallman), and asserts that this feature inherently discloses inputting a desired asset allocation. Applicants strongly disagree with this position. Managing tax consequences has nothing whatsoever to do with a desired asset allocation. For example, an investor who wishes to minimize tax consequences will not necessarily select a different asset allocation than an investor who is not concerned with tax consequences. Accordingly, the newly cited passage does not provide the necessary disclosure or suggestion for steps and elements (b), (c) and (d) in each of the independent claims 1, 15, 30 and 44.

#### ***Patentability of dependent claims***

The dependent claims are believed to be allowable because they depend upon an allowable independent claim, and because they recite additional patentable steps and elements.

#### ***Conclusion***

Insofar as the Examiner's rejections were fully addressed, the instant application is in condition for allowance. A Notice of Allowability of all pending claims is therefore earnestly solicited.

Respectfully submitted,

STEPHEN A. BOVE et al.

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(Date)

Clark Jablon

CLARK A. JABLON

Registration No. 35,039

AKIN GUMP STRAUSS HAUER & FELD LLP

One Commerce Square

2005 Market Street - Suite 2200

Philadelphia, PA 19103-7086

Direct Dial: (215) 965-1293

Facsimile: (215) 965-1210